

108TH CONGRESS
1ST SESSION

H. R. 380

To provide full funding for the payment in lieu of taxes program for the next five fiscal years, to protect local jurisdictions against the loss of property tax revenues when private lands are acquired by a Federal land management agency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2003

Mr. RADANOVICH introduced the following bill; which was referred to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide full funding for the payment in lieu of taxes program for the next five fiscal years, to protect local jurisdictions against the loss of property tax revenues when private lands are acquired by a Federal land management agency, and for other purposes.

1 *Be it enacted by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Property Tax Endow-
5 ment Act of 2003”.

1 **SEC. 2. FULL FUNDING FOR PAYMENTS IN LIEU OF TAXES.**

2 Section 6906 of title 31, United States Code, is amend-
3 ed—

4 (1) by striking “Necessary” and inserting “(a) IN
5 GENERAL.—Necessary”;

6 (2) by striking “Amounts” and inserting “Except
7 as provided in subsection (b), amounts”; and

8 (3) by adding at the end the following new sub-
9 section:

10 “(b) FULL FUNDING.—For fiscal years 2004 through
11 2008, amounts necessary to carry out this chapter shall
12 be made available to the Secretary of the Interior, out of
13 any funds in the Treasury not otherwise appropriated and
14 without further appropriation, for obligation and expendi-
15 ture in accordance with this chapter.”.

16 **SEC. 3. PROTECTION OF LOCAL TAX BASE AS PART OF FED-**
17 **ERAL LAND ACQUISITION.**

18 (a) ELECTION OF PAYMENT TO OFFSET REVENUE
19 LOSS.—

20 (1) NOTIFICATION OF LOCAL GOVERNMENT.—

21 Whenever a Federal land management agency ac-
22 quires privately owned land by purchase, exchange,
23 or donation, the head of the agency shall notify the
24 unit of general local government within whose juris-
25 diction the land lies.

1 (2) ELECTION.—If a unit of general local govern-
2 ment is notified by a Federal agency under para-
3 graph (1) regarding an acquisition of land by the
4 Federal agency, the elected officials with authority
5 under State law to govern the unit may within 90
6 days after that notification, elect to receive from the
7 Federal land management agency a one-time pay-
8 ment in an amount sufficient to offset the long term
9 revenue loss to the local government that will result
10 from the acquisition of the land by the Federal
11 agency.

12 (b) TREATMENT OF LAND AFTER ONE-TIME PAY-
13 MENT.—

14 (1) IN GENERAL.—If a unit of general local gov-
15 ernment receives, pursuant to an election under sub-
16 section (a), a one-time payment with respect to land
17 acquired by a Federal land management agency, the
18 land shall not be treated as entitlement land for pur-
19 poses of chapter 69 of title 31, United States Code,
20 notwithstanding any changes that may thereafter
21 occur in the value of the land, interest rates, tax-
22 ation rates, or any other economic factor.

23 (2) CONFORMING AMENDMENT.—Section 6901(1)
24 of title 31, United States Code, is amended by add-
25 ing at the end the following:

1 “Such term does not include any land with respect to
 2 which a unit of local government receives a one-time pay-
 3 ment under the Property Tax Endowment Act of 2003.”.

4 (c) APPLICATION.—

5 (1) IN GENERAL.—This section shall apply to
 6 any land acquisition by a Federal land management
 7 agency completed after September 30, 1998.

8 (2) APPLICATION TO PRIOR ACQUISITION.—For
 9 purposes of the application of this section to an ac-
 10 quisition of land by a Federal agency before the date
 11 of the enactment of this Act, the head of the agency
 12 is deemed to have notified the unit of general local
 13 government concerned in accordance with paragraph
 14 (1) on the date of the enactment of this Act.

15 (3) NO EFFECT ON TITLE.—This subsection
 16 shall not affect any right, title, or interest of the
 17 United States in or to land.

18 **SEC. 4. ONE-TIME PAYMENT.**

19 (a) IN GENERAL.—If a unit of general local govern-
 20 ment elects under section 3(a)(2) to receive a one-time
 21 payment with respect to land acquired by a Federal land
 22 management agency—

23 (1) the head of the Federal agency shall deter-
 24 mine and make such payment in accordance with
 25 this section; and

1 (2) such acquisition may not occur before the
2 date the payment is made.

3 (b) AMOUNT OF PAYMENT.—

4 (1) IN GENERAL.—The amount of such pay-
5 ment—

6 (A) shall be sufficient to yield a revenue
7 stream in perpetuity equal to the property taxes
8 currently required to be paid with respect to the
9 land, determined as an annuity amount based
10 on an interest rate equal to the current average
11 yield on outstanding obligations of the United
12 States with remaining periods of maturity of 10
13 years on the date of acquisition of the land by
14 the Federal agency;

15 (B) shall be determined based on the rate
16 of tax and land valuation in effect for the land
17 under the property tax laws of the unit of gen-
18 eral local government that apply in the local tax
19 year in which the land is acquired by the Fed-
20 eral land management agency; and

21 (C) shall include amounts to offset prop-
22 erty taxes that were attributable to—

23 (i) improvements on the acquired
24 lands; or

1 (ii) the use of the lands for business
2 enterprise.

3 (2) FEDERAL ACQUISITIONS FROM TAX-EXEMPT
4 ENTITIES.—If a Federal land management agency
5 acquires lands by purchase, donation, exchange, or
6 other means from a nongovernmental organization
7 or other entity that is exempt from local taxation,
8 paragraph (1) shall apply as if the land were ac-
9 quired from the last person that owned the lands
10 that was not exempt from such taxation.

11 (3) DEDUCTION OF PILT PAYMENTS.—In the
12 case of a payment under this section to a unit of
13 general local government with respect to land that
14 was acquired by a Federal land management agency
15 before the date of the enactment of this Act, the
16 head of the agency shall deduct, from the amount
17 otherwise required to be paid, the amount of any
18 payment made to the unit with respect to the land
19 after September 30, 1998, under chapter 69 of title
20 31, United States Code.

21 (c) TIME FOR PAYMENT.—The payment required
22 under subsection (a) in connection with a land acquisition
23 shall be made before the Federal land management agency
24 takes possession of the land.

25 (d) USE OF PAYMENT.—

1 (1) IN GENERAL.—Amounts paid to a unit of
 2 general local government under this section shall be
 3 deposited into a trust fund established and adminis-
 4 tered by the unit of general local government.

5 (2) RESTRICTION OF USE OF PRINCIPAL.—The
 6 principal of the trust funds may not be expended.

7 (3) USE OF INTEREST.—Interest generated by
 8 the trust funds shall be available to the unit of gen-
 9 eral local governmental for any governmental pur-
 10 pose.

11 **SEC. 5. RELATIONSHIP OF ONE-TIME PAYMENTS TO PAY-**
 12 **MENTS IN LIEU OF TAXES.**

13 A one-time payment received by a unit of general
 14 local government under this Act shall not be deducted or
 15 in any way used to offset payments required to be made
 16 to the unit under chapter 69 of title 31, United States
 17 Code.

18 **SEC. 6. DEFINITIONS.**

19 In this section:

20 (1) DONATION.—The term “donation” includes
 21 any conveyance of land to the Federal Government
 22 that is required as a condition of receipt of any ben-
 23 efit under Federal law.

1 (2) FEDERAL LAND MANAGEMENT AGENCY.—

2 The term “Federal land management agency”
3 means each of the following:

4 (A) The Forest Service.

5 (B) The Bureau of Land Management.

6 (C) The National Park Service.

7 (D) The United States Fish and Wildlife
8 Service.

9 (3) UNIT OF GENERAL LOCAL GOVERNMENT.—

10 The term “unit of general local government” has the
11 meaning given the term in section 6901(2) of title
12 31, United States Code.

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